

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6026

BILL NUMBER: HB 1009

NOTE PREPARED: Feb 25, 2013

BILL AMENDED:

SUBJECT: Adjustment of Employer Contribution Rates.

FIRST AUTHOR: Rep. Torr

FIRST SPONSOR: Sen. Boots

BILL STATUS: As Passed House

FUNDS AFFECTED: X GENERAL
DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: (Amended) The bill provides that the Commissioner of the Department of Workforce Development (DWD), after having computed the rate of contributions due from an employer from an estimate on the basis of the best evidence reasonably available, may increase or decrease the rate of contributions due from the employer on the basis of subsequently ascertained information.

Effective Date: July 1, 2013.

Explanation of State Expenditures: (Revised) The state is a reimbursable employer for purposes of unemployment insurance. Reimbursable employers are not-for-profit and governmental employers that reimburse the Unemployment Insurance Trust Fund for benefit payments to their former employees in lieu of paying regular employer unemployment contributions. Therefore, the bill will not affect the state as an employer.

The bill is expected to have a very small impact on the Unemployment Insurance Trust Fund as it will give DWD the ability to true-up employer contribution rates (up or down) as new information is made available to DWD that would affect the rate of a given employer. Current law allows only that DWD may increase a contribution rate due to the receipt of new information on the employer.

Explanation of State Revenues:

Explanation of Local Expenditures: (Revised) The impact on local units of government would be as an employer. Local governments may choose to be a reimbursable employer, which would mean that changes in

contribution rates would not affect their payments into the Unemployment Insurance system.

Explanation of Local Revenues:

State Agencies Affected: Indiana Department of Workforce Development.

Local Agencies Affected: All.

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